

THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

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TAKING STOCK

The crops are made and the season practically ended. Grain is mostly threshed, silos are filled, cotton ginning is well along, hay pressers are busy. The early movement of grain and cotton to market has been heavy. Corn harvest is going forward, many growers struggling with a problem of soft corn. Apple picking and potato digging are nearly wound up. Potatoes, one of the East's chief money crops, are turning out large yields but meeting a very disappointing market. This comes discouragingly on top of the depression in the eastern dairy industry.

The wheat situation represents an almost spectacular combination of circumstances. We alone have a good wheat crop while the consuming world is short of bread grains. Our producers have reacted to higher prices in a very human way - acreage planted to winter wheat is said to be from 5 to 10 per cent larger than last season. But to regard this year's situation as representing any lasting alignment of supply and demand is to mis-measure the forces on both sides. It is one of those lucky accidents that sometimes happen once. Europe will bend every effort to avoid repeating the heavy purchases of wheat she must make in this country this season.

The forward prospect in hogs appears somewhat more definite. Judging from this season's pig crop, the probable fall pig crop, and from the present attitude of producers as to breeding for next spring, there are apparently fewer hogs in sight for next year than any time since 1920. Moreover, the corn situation spells lighter weight hogs. The trend of hog production in Europe is about the same as here. All of which seems to mean more than an even chance for higher hog prices.

A drop in hog production might play some part in the beef cattle situation. The country is apparently still "long" of cattle. The run of beef stock to market is heavier than last fall and it is going to slaughter rather than to feed lots - real liquidation, in other words. Cattle raisers are now in probably the most distressed position of any major group of producers.

On the whole, however, the season is evidence of pretty good adjustment in agricultural production. Were this a year back in pre-war times it would rank as a fair, average season for agriculture. But it is not. The farmer's immediate background is four years of black depression, and against that background the situation must be sized up. He has put his productive house in order and has achieved the payment of considerable debt. That is about the story of 1924.

KEY REGIONS AT A GLANCE

THE EAST - Finishing up the late harvest: fruit, potatoes, etc. Fruit growers in fair spirits. Potatoes, cabbage and certain minor cash crops yielding heavily but bringing very low prices. Milk producers under added pressure from high grain prices. Underlying sentiment through the East one of discouragement.

THE SOUTH - Cotton picking about finished except in certain northern sections. Late crop, as well as harvesting, helped by splendid weather. Heavy movement of cotton to market. Position of other southern crops fairly good, on the whole. General sentiment is that this season will help to put the South on its feet.

CORN BELT - Favorable weather has helped to mature considerable corn. Harvest well along. Frost damage greatest in northwestern portion of Belt, including Iowa. Growers anxious to sell some corn at current prices; probably fewer cattle will be fed than last year. Region in rather better spirits than last fall though the undercurrent of feeling reflects difficulties still present.

WHEAT BELT - Winter wheat seeded and slightly increased acreage reported over last season. Grain is up and showing good stands through Kansas and most of Nebraska. Very dry from Oklahoma southward. Heavy early market movement of grain has slowed up and tendency now is to hold for most favorable prices. General condition of the territory greatly improved.

RANGE COUNTRY - General movement of livestock down from the high country to winter ranges and to market. Rather heavy market movement of both sheep and cattle. Stock generally going into winter in very good condition. The condition of range varies from good in the north to poor in Arizona and New Mexico; stock being moved out of some areas in south for lack of feed. General continued optimism among sheep men and pessimism among cattle men.

PACIFIC COAST - Harvest of rice, sugar beets and fruits in progress. Wheat seeding and germination delayed by dryness in north. Rains begun in northern California, delaying harvest but generally beneficial. South still dry. Citrus fruit developing well.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

Crop	1913 Production	1918-1922 Average	1923 Production	1924 Sept. Estimate	1924 Oct. Estimate
Wheat, bu.					
Winter	523	625	572	589	589
Spring	240	256	213	247	266
All	763	881	786	837	856
Corn, bu.	2,447	2,899	3,046	2,513	2,459
Oats, bu.	1,122	1,303	1,300	1,486	1,509
Barley, bu.	178	186	198	194	201
Rye, bu.	41	78	63	66	66
Cotton, bales	14.1	10.9	10.1	12.6	12.675
Potatoes, bu.	332	391	412	413	424
Hay, tame, tons	64	86	89	89	95
Apples, bu.	145	167	197	179	175
Peaches, bu.	40	44	46	52	52
Flax, bu.	18	10	17	29	29
Tobacco, lbs	954	1,361	1,491	1,195	1,182

The October estimates placed the crops of wheat, oats, barley, potatoes and hay slightly higher than the previous month's estimates. On the other hand, corn, apples and tobacco estimates did not appear quite as large as in the previous month. The cotton estimates did not change greatly.

These forecasts reflect the changing conditions of growth from month to month. Final estimates for the year are made in December.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending October 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	Sept. 1913	Sept. 1923	Aug. 1924	Sept. 1924
Cotton, per lb.	¢ 12.6	25.6	27.8	22.2
Corn, per bu.	¢ 75.4	86.2	107.4	109.7
Wheat, per bu.	¢ 77.5	91.0	116.8	114.2
Hay, per ton	\$ 11.24	12.25	12.95	12.68
Potatoes, per bu.	¢ 74.5	109.6	111.3	81.0
Oats, per bu.	¢ 39.4	38.0	49.1	47.1
Apples, per bu.	¢ 76.5	108.0	121.6	109.8
Beef cattle, per 100 lbs.	\$ 5.92	5.70	5.67	5.53
Hogs, per 100 lbs.	\$ 7.68	7.81	8.54	8.50
Eggs, per dozen	¢ 21.3	29.8	26.1	31.8
Butter, per lb.	¢ 26.7	40.2	37.7	38.2
Wool, per lb.	¢ 15.8	37.1	33.5	35.5
Veal calves, per 100 lbs.	\$ 7.73	8.34	7.94	8.09
Lambs, per 100 lbs.	\$ 5.51	10.28	10.15	10.18

Prices, at the farm, of most major products declined during September, with exception of corn. Eggs continued a seasonal rise and wool prices advanced. The livestock product group, as a whole, showed a slight downward trend but less pronounced than in case of crops.

The price situation is still such as to encourage producers of cotton, corn, sheep and wheat, though what it might be by next spring is another matter. Butter prices have proven fairly stable in face of heavy supplies.

PRICE INDEXES FOR MONTH ENDING OCTOBER 1, 1924.
1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>Sept.</u> <u>1923</u>	<u>Aug.</u> <u>1924</u>	<u>Sept.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Cotton	206	224	179	Lower
Corn	145	181	185	Higher
Wheat	116	149	146	Lower
Hay	111	118	115	Lower
Potatoes	171	173	126	Lower
Beef cattle	97	96	94	Lower
Hogs	104	114	114	Same
Eggs	154	135	165	Higher
Butter	149	140	142	Higher
Wool	222	200	213	Higher

Commodity Groups

(Wholesale Prices)

	<u>Sept.</u> <u>1923</u>	<u>Aug.</u> <u>1924</u>	<u>Sept.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Farm products	144	145	143	Lower
Food, etc.	147	144	148	Higher
Cloths & clothing	202	190	186	Lower
Fuel & lighting	176	170	168	Lower
Metal & met. products	144	130	128	Lower
Bldg. materials	182	169	171	Higher
Chemicals, etc.	128	130	131	Higher
House-furnishing goods	183	171	171	Same
<u>ALL COMMODITIES</u>	<u>154</u>	<u>150</u>	<u>149</u>	<u>LOWER</u>

RELATIVE PURCHASING POWER

(At September 1924 Farm Prices)

1913 = 100

In terms of	Of a Unit of:				
	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	120	124	98	77	84
Cloths, etc.	96	100	79	62	68
Fuel, etc.	116	110	87	68	75
Metals, etc.	140	145	114	90	99
Bldg. Materials	105	108	85	67	74
House-furnishing goods	105	108	85	67	74

	Beef Cattle	Swine	Eggs	Butter	Wool
All commodities	63	76	111	95	143
Cloths, etc.	51	61	89	76	114
Fuel, etc.	56	68	98	85	127
Metals, etc.	73	89	129	111	166
Bldg. materials	55	67	96	83	125
House-Furnishing goods	55	67	96	83	125

September brought drops in price of most of the principal farm products excepting corn and eggs. Prices of non-agricultural commodities did not lower much. Consequently the indicated exchange value of cotton and potatoes in particular declined materially from the previous month. The exchange value of wool and eggs improved but they are not products which producers have in hand at this season in much quantity. It is noteworthy that the farmer is at greatest disadvantage in purchasing power for building materials and house-furnishings - two lines which have held up most strongly in the urban business boom.

The general index of purchasing power of farm products declined from 90 in August to 87 (considering the year 1913 as 100.) This is a not unnatural fall movement as agricultural products come on the market in quantity, but it is by no means encouraging to farmers, nevertheless.

COLD STORAGE SITUATION

October 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Oct. 1, 1924</u>
Creamery butter, lbs.	104	96	156	153
American cheese, lbs.	59	62	76	73
Case eggs, cases	7	9	9	7
Total poultry, lbs.	28	33	34	40
Total beef, lbs.	89	48	49	48
Total pork, lbs.	575	613	711	565
Lard, lbs.	84	73	125	84
Lamb & Mutton, lbs.	9	1.7	2.2	2.5
Total meats, lbs.	738	723	826	673

There was considerable movement of dressed poultry into storage in September, as is usual; likewise about the normal outward movement of meat and lard. Butter stocks did not decline much.

Compared with the average situation this date, stocks continue very low in case of beef and lamb; about average in case of eggs, pork and lard; high in case of butter, cheese and dressed poultry. The stored supply of butter remains about 50 per cent larger than last year or average.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages</u>	<u>Retail Price of Food</u>	<u>Wholesale Price of Food</u>	<u>Wholesale Price All Commodities</u>
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	155	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154
<u>1923</u>					
January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151
<u>1924</u>					
January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	159	142	136	145
July	217	159	143	139	147
August	220	---	144	144	150
September	225	---	147	148	149

GENERAL TREND OF PRICES

1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	106	94	112
1915	110	95	102	97	106
1916	124	111	118	132	89
1917	202	164	186	176	106
1918	224	192	208	186	112
1919	234	198	216	195	111
1920	238	168	203	234	86
1921	109	107	108	161	67
1922	113	111	112	163	69
1923	136	103	120	167	72
1923					
January	126	106	116	170	68
February	130	107	118	172	69
March	134	106	120	175	69
April	139	107	123	176	70
May	140	105	123	172	71
June	139	100	120	168	71
July	136	102	119	165	72
August	136	102	119	163	73
September	138	109	123	164	75
October	139	103	121	161	75
November	137	97	117	160	73
December	137	94	116	158	73
1924					
January	140	97	119	160	74
February	141	98	120	162	74
March	138	100	119	161	74
April	140	102	121	159	76
May	139	103	121	157	77
June	142	102	122	155	79
July	155	101	128	154	83
August	163	114	139	154	90
September	154	113	134	153	87

* Department of Labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agrl. commodities.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,670
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760

The September movement of grain continued heavily above same month last year, though wheat fell off somewhat from its August peak. The early fall movement of wheat was very heavy.

Hog receipts in September were about like the previous month and slightly less than last year. This is in line with the apparent production situation and with normal movement. Heavier runs to market will presumably be shown for October.

Cattle movement increased somewhat over last year and more of it was to slaughter rather than back to the country as feeders.

Butter receipts continued higher than corresponding month last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
(1923 First 9 mos.)	128,129	330,900	608,339	786,175	700,334	2,892
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	39,183	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,418	59,219	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,601	32,520	53,769	86,788	60,406	212
" August	21,106	33,410	52,367	75,937	60,180	278
" September	39,244	37,245	43,117	65,810	50,088	737
(1924 nine months)	125,368	402,603	523,398	757,359	591,738	3,466

The outstanding story of September exports is that we are selling a lot more wheat, some more cotton, and considerably less pork abroad than we did last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 Sept.	1924 Aug.	1924 Sept.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	104	61	68	Increase
Bituminous coal (Millions tons)	46	35	41	Increase
Automobiles shipped (Thou. carloads)	36	30	28	Decrease
CONSUMPTION				
Cotton by mills (Thou. bales)	486	357	435	Increase
Unfilled orders Steel Corp. (Thou. T.)	5,036	3,290	3,474	Increase
Building contracts (Millions dollars)	254	300	298	Decrease
Hogs slaughtered (Thousands)	2,276	2,017	1,959	Decrease
Cattle " "	1,104	1,092	1,312	Increase
Sheep " "	894	978	1,097	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	15	20	19	Decrease
Car loadings (Thousands)	5,240	3,823	5,167	Increase
Mail order sales (Millions dollars)	26	24	31	Increase
Men employed, N. Y. State Factories (Thou.)	549	471	489	Increase
Av. price 25 indus. stocks (Dollars)	103	119	117	Lower
Interest rate (60-90 day Paper)	5.16	3.25	3.13	Lower
Retail Food Price Index (Dept. Labor)	149	144	147	Higher
Wholesale Price Index (Dept. Labor)	154	150	149	Lower

Business is moving sidewise. Basic conditions are good but lack any element of stimulation other than cold weather, which is yet to come. Industries such as steel and certain structural lines show sufficient improvement, however, to indicate that things are moving forward. Interest rates are still very low but importations of gold have come to a pause and the likelihood of inflation therefrom is lessened. General employment and wage conditions are good.

There has been some expression of disappointment in business circles over the failure of "restored" farmer purchasing power to make itself felt in greater degree. As a matter of fact it has made itself felt decidedly in the South and Central West. But the tendency is to expect too much buying from the farmer this fall. He is busy trying to pay off some debts.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

ILLINOIS - The agricultural situation in Illinois is distinctly better than a month ago. This is due largely to the fact that corn-frost race has been won by corn over most of the State and the size of the merchantable corn crop exceeds the most optimistic expectations of last month. New No. 4 corn selling at 90 cents at the farm, rising wheat and hog prices with the price of other grains and livestock maintained or up a little are contributing factors. The marks of this unusual season are in evidence in the form of scattered winterkill, flood or frost losses to yields or quality, but the general average for all crops will balance up fairly well. While efforts of farmers will be centered on the liquidation of debts, dealers are becoming more optimistic about increased purchases from farmers than a few weeks ago. Farm labor and credit conditions are satisfactory. Farm work has made rapid progress the past few weeks with advancement of fall work now near average.

Excepting spotted to rather extensive frost damage to corn largely in the northern counties weather conditions have been ideal for maturing and drying corn which has made splendid progress towards maturity. There will be some soft or chaffy corn but much less than seemed probable October 1st. Much of frosted corn located in dairy section and has gone into silos. Special efforts given to gathering seed corn and an ample to a surplus supply is assured. Nearly 75 per cent of crop now reported safe from frost with favorable weather continuing.

Small grain threshing completed. Yields about as expected. Oats crop large. Market quality lowered somewhat by rains in the shock but tests heavy and of good farm feed quality. Winter wheat seeding progressing with soil conditions fine for working. Eighty-five per cent completed and half now with uniform stand. Wheat has been marketed rather freely but oats movement below average.

Hay yields large generally. Pastures excellent. Cloverseed poor on reduced acreage. Timothy seed crop favorable. Cotton favorable and opening rapidly with picking and ginning under way. Broomcorn harvest well advanced with fair yields and good quality. Tree fruits only fair crop with fair to good quality. Size favorable. White potatoes best crop in years. Sweet potatoes above average. Home gardens favorable.

Livestock are in good condition generally. Movement of feeder sheep into the State has been heavy. Feeder cattle movement increasing but not up to the large imports of a year ago. Hog numbers near the average but substantially reduced from the number last season. Cattle numbers in general compare very favorably with a year ago with a substantial increase in the number of dairy stock. -- A. J. Surratt.

NEBRASKA - The agricultural situation is somewhat more favorable than last month since a larger percentage of the corn crop escaped injury from frost than expected. About 17 per cent of the crop was injured according to latest information, but only 10 per cent was seriously damaged. The production is somewhat above the average, but the quality will be lower due to frost injury and damage from drought in southern sections. Over 90 per cent of the wheat was sown prior to October 15 and the soil conditions are more favorable than last month. In eastern Nebraska seeding was delayed on account of drought and Hessian fly. Pastures are about normal for this date except in southeastern Nebraska. The hay and feed supply is plentiful with few exceptions. Some counties have a surplus and could provide feed for additional cattle during the winter. Most of the information indicates reduced cattle for grain feeding, but the recent movement of cattle to feeding sections is increasing. There is a considerable decrease in hogs, but it appears that sheep feeding will be increased. -- A. E. Anderson.

TEXAS - Exceptionally good weather has favored the gathering of the cotton crop and every business line is feeling the stimulating effect brought about by the distribution of the hundreds of millions of dollars. Present indications point to only a slight reduction in the crop as compared with last year, but prices of lint and seed are lower. Demand for merchandise in the rural districts is good and accounts, with few exceptions, are being paid earlier than usual. Deposits in the banks are increasing rapidly, country bankers reporting debts incurred during the past crop season being liquidated promptly.

New building and public work are still very active, but are being temporarily retarded due to the great demand for cotton pickers. Farm machinery and automobile sales compare very favorably with those a year ago. In the southeast, particularly, sales of canned milk are very great owing to the misguided fear of the foot-and-mouth disease.

Some 8,000 head of cattle have been killed and buried in the Houston district following the outbreak of this disease in September. It is hoped that the epidemic is now under control, all known infected and contact cattle having been killed. Quarantine against Texas livestock has been modified.

Conditions for sowing of the fall small grains have been good in the principal sections and some fields are already being pastured. The rice crop is rapidly being marketed at satisfactory prices. Double the citrus fruit crop of last year is expected; it is now moving in a small way. Only about three-fourths of last year's turkey crop will be available for market this season owing to excessive rains in the spring and discouragement following the poor prices of 1923. The pecan crop is beginning to move, but less than a third of a crop is expected. Grain sorghums are doing much better than a year ago which will help to offset the low production of corn and forage. While the condition of cattle, sheep and goats is below that of last fall, pastures are improving rapidly and no fear is felt for the winter. Shipments of all classes, except hogs, have been heavier this year than last. -- H. H. Schutz.

THE DAIRY SITUATION

Division of Dairy and Poultry Products, B. A. E.

The situation in dairy markets still continues to be of more or less concern. Some encouraging developments have occurred, but nothing has taken place which dairy interests as a whole could consider particularly favorable. Consumption of butter, for example, has more than held up to the average monthly increase over last year, September being estimated as 5.16 per cent as compared with a 3.38 per cent increase for the entire year since January 1. This means 8,311,000 lbs. increase in September and a monthly average of 5,516,000 lbs. for the full 9 months. On the other hand, however, the late season and favorable weather conditions have resulted in a continued heavy fall production. This is shown by the increase in receipts at principal wholesale markets, which during September and October ran close to 15 per cent heavier than last year, as well as by current reports from the principal producing sections. It does appear at close of October, however, that production is decreasing faster than it did in 1923.

The apparent consumption of butter this year and last is indicated by the following figures which take into consideration current production, the storage situation, and the extent to which domestic supply was changed by imports or exports.

Quantities of Butter Available for Consumption
(Farm Butter Included)
000 omitted

	1924 Pounds	1923 Pounds
January	133,813	133,001
February	133,076	116,821
March	139,630	135,855
April	156,295	148,133
May	191,006	194,706
June	187,223	186,512
July	193,917	181,754
August	184,136	182,195
September	169,438	161,127
October		155,672
November		141,285
December		139,709
Total		1,876,770

With the butter situation occupying the center of attention, the apparent increase in consumption this year has been an outstanding support. The increase has been in part due to the normal increase in population which, on the basis of last year's per capita consumption amounts to 3,000,000 lbs. per month, or 27,000,000 lbs for the nine months up to October 1. But when such information on the subject which is available is analyzed, it appears that the apparent consumption for these nine months exceeded this one requirement by some 22,000,000 lbs. The September increase alone is of particular interest, for it was greater than previous months' averages by approximately 3,000,000 lbs. Among conditions which undoubtedly have favored a larger use of butter is the price situation which since July has shown practically no change. Furthermore, one sees evidence here and there of an effort to stimulate consumption, either through advertising or through attractive retail prices which make butter a "leader."

The big surplus of butter in storage is what hangs over butter markets as a weakening influence. On October 1, the holdings were 153,271,000 lbs. as compared with 96,117,000 lbs. on October 1, 1923. This surplus of around 57,000,000 lbs. is somewhat startling in itself, but of equal concern is the slowness which has featured the outward movement. October closes with butter prices actually lower than they were in June and July. Since the middle of July, wholesale quotations of 92 score butter at New York have stayed within the range of 37 to 40 cents, with minor variations occurring almost daily. All this time the market has been more or less nervous and unsettled, with never an approach to anything resembling permanent firmness. Last year, from the middle of July until the first of November, prices advanced 11 cents. The failure of prices to follow the usual upward tendency this fall has practically made it prohibitive to move storage butter except at a loss. A temporary respite followed the development of a little export business, but this was not long-lived. From the standpoint of volume, exports have been limited although having a strong sentimental influence. Changes in the foreign situation were most favorable from the standpoint of American producers, for while no material export business resulted, imports into this country were practically eliminated. The London market is now approximately 10 cents higher than New York, which, with an added 8 cents to cover import tariff, makes the New York market unattractive to foreign producers.

There is nothing unusual to be said with reference to cheese markets. Production has held up well for the season, and storage stocks are in excess of last year, but there is not the apparent anxiety regarding either that there is over the butter outlook. Condensed milk markets also appear to have reached a somewhat more favorable position. Stocks reported on October 1 revealed a substantial reduction during the preceding month, and if even a moderate movement can be counted during October, the November 1 accumulation should show a favorable comparison with last year.

Sizeable exports of evaporated milk have helped reduce domestic holdings. During September, both Germany and the United Kingdom took substantial quantities. Condensed milk manufacturers are still controlling production wherever possible, although, with unattractive butter and cheese markets, there has not been a great deal of choice as to what disposition was made of milk received.

(Thousands pounds, 000 omitted)

Stocks in Storage October 1

Year	Cold storage.		In Manufacturers' Hands		
	Butter.	Cheese.	Cond. & Evap.	Milk.	Milk powder.
1924	153,271	91,191	202,133		14,402
1923	96,088	78,875	225,069		7,373
Increase-	-57,183+	12,326+	22,936-		7,029+
	59.5%	15.6%	10.19%-		95.33%+
5 year av.	48.20%+	21.38%+	1.09%+		----
	Receipts January 1 to September 30.				Receipts.

Year.	Butter 4 Markets.	American Cheese Wisconsin Markets.	Month of September Butter 4 markets.
1924	464,532	217,520	45,808
1923	421,689	203,023	40,029
Increase	42,833	14,497	5,779
	10.16%	7.14%	14.4%

Net Imports or Exports - September.

Year.	Butter.	Cheese.	Cond. Evap. & Powered milk.
1924	683 ex.	5,510 im.	14,406 ex.
1923	1,244 im.	4,755 im.	13,687 ex.
Increase	1,927	755 im.	719 ex.
Change for 9 months.	2,787 im.	5,181 im.	27,427 ex.
Milk equi- valent----	58,527 im.	51,810 im.	68,568 ex. Balance 41,769 im.

BUTTER SUMMARY

	1924.	1923.	1924 incr.	% increase.
Storage holdings Jan. 1	30,299	26,941	3,358	12.46
Production(farm & factory)				
January to September, inc.	1,595,503	1,498,205	97,298	6.49
Net imports(9 months)	13,860	11,078	2,787	25.17
Total	1,639,662	1,536,220	103,442	6.73
Net storage incr.(Jan.1-Oct.1)	122,972	69,176	53,796	77.77
Apparent consumption	1,516,690	1,467,044	49,646	3.38
Average per month(Jan.-Sept.)	168,521	163,005	5,516	3.38
Apparent consumption-Sept.	169,438	161,127	8,311	5.16

THE CORN SITUATION

Nat C. Murray
Clement, Curtis & Co., Chicago

The two main features of the 1924 corn crop are the shortage of total production and deficiency in quality or grade. The total production is estimated to be about 2,450,000,000 bushels, which is nearly 20 per cent less than last year's crop and about 15 per cent less than the average production of the preceding 5 years. A reduction of 15 per cent in the production of corn, is more significant than a reduction of 15 per cent in crops less extensively grown; just as the rise and fall of the level of a large body of water is less than of a small body of water. Corn is grown on about one-fourth of the entire cultivated area of the United States.

Usually a poor production in one part of the United States is largely offset by a good yield in some other part; but this year the yield is below average in every corn State except Nebraska, Kansas, Oklahoma and possibly Missouri.

A smaller crop than present indications was produced only three times in the present century. In 1901 the crop was exceedingly short, 1,107,000,000; in 1903, it was 2,339,000,000 and in 1913, 2,447,000,000 bushels. The maximum production was 3,208,000,000 in 1920. The yield per acre has been less than the amount expected this year (23.2 bushels) only 3 times in the past 30 years, namely in 1894 with 19.4 bushels; in 1901 with 16.7 bushels and 1913 with 23.1 bushels.

In addition to the shortage of total bushels, the quality is the lowest on record with the probable exception of the 1917 crop. The freak season began with a late wet spring causing delay in planting. Many fields were replanted two or three times causing irregularity in growth. The summer was unseasonably cool and wet, preventing normal development and maturity. Only about 70 per cent of the crop was mature on the date of the average date of first killing frost, ordinarily about 95 per cent of the crop is mature by that date. Fortunately a killing frost has held off later than usual except in limited areas. The low grade or quality consists in the high moisture content and to chaffiness of the kernels.

Few persons seem to realize the amount of moisture in soft, immatured corn. It is probable that the bulk of this year's crop will be harvested in the Corn Belt States with 40 to 50 per cent moisture. The maximum percentages moisture allowed in the different government grades, and the test weight per measured bushel are as follows: No. 1, 14 per cent, 55 pounds to a measured bushel; No. 2, 15½ per cent, 53 pounds; No. 3, 17½ per cent, 51 pounds; No. 4, 19½ per cent, 49 pounds; No. 5, 21½ per cent, 47 pounds; No. 6, 23 per cent, 44 pounds; grain with more than 23 per cent moisture or less than 44 pounds weight per measured bushel is no grade.

In the Chicago futures market No. 1 and No. 2 mixed are contract grades, but No. 1 and 2 white or yellow may be delivered at a premium of one-half cent

over the sale price, No. 3 white or yellow at 2 cents a bushel discount and No. 3 mixed at $2\frac{1}{2}$ cents discount. On contract for delivery in December No. 4 white and yellow can be delivered at $4\frac{1}{2}$ cents discount and No. 4 mixed at 5 cents discount. But No. 4 can not be delivered on May contracts. This limitation is important in a year like this when much of the corn marketed will be low grade. There will be a wide range in prices between corn grading No. 3 or better and the lower grades. The crop is comparable with the crop of 1917 when only 60 per cent was of merchantable quality. On a single day in April, 1918, low grade cash corn sold in Chicago at various prices between 30-85 cents. No. 6, 95 @ 1.00, No. 5, \$1.10 @ \$1.32, No. 4, \$1.40 @ \$1.50, No. 3, \$1.45 @ \$1.65 and No. 2, \$1.75 @ \$1.80. This year's crop is comparable with that year. Ordinarily, the extreme range of prices between best and lowest grades is about 10 @ 15 cents, that is, in an average year.

The following table shows what percentage of the total corn receipts in Chicago graded No. 2 or better, No. 3, No. 4 to 6 inclusive and no grade, in 1918 (crop of 1917) and the average for 1919-1923 inclusive.

	1918 (Crop of 1917)				1919-1923 Average			
	% 1-2	3	4-6	Low	% 1-2	3	4-6	Low
January	.7	3.0	43.9	52.4	13.0	33.0	52.5	1.5
February	.6	3.4	52.4	43.6	12.6	38.5	47.8	1.1
March	.5	4.0	50.3	45.2	10.0	38.0	50.7	1.3
April	5.4	13.1	35.6	45.9	20.0	50.1	25.6	4.3
May	4.1	8.8	28.2	58.9	61.0	25.2	10.0	3.8
June	3.5	5.9	23.6	67.0	71.3	9.0	11.9	7.8
July	2.4	6.3	30.1	61.2	70.4	6.7	14.1	8.8
August	2.9	8.0	30.2	58.9	79.5	6.6	10.3	3.6
September	1.7	5.8	27.3	65.2	79.1	7.7	11.2	2.0
October	1.6	5.3	29.2	63.9	79.5	7.5	10.4	2.6
November	1.8	6.9	46.3	45.0	33.1	18.1	44.8	4.0

This year the grade will probably be nearly though not quite so bad as the 1917 crop, but the total bushels of merchantable grade corn will probably be less, owing to a smaller total production.

Prices will have a wide range. Those who believe that prices already discount the small crop point out that a knowledge of a probable shortage came early in the season, giving farmers time to readjust their feeding plans, reducing their supply of livestock, that other feeds, as pasture, hay and oats are plentiful. Those who believe in higher prices, at least for futures, point out that corn suitable for delivery on contract will be extremely scarce and command a premium. It is interesting to observe that in past years of short corn crop, the percentage increase in price in December over the preceding December price, has been approximately twice the percentage decrease of the size of the crop compared with the preceding crop.

THE BEEF CATTLE SITUATION

C. L. Harlan
Livestock Statistician, B. A. E.

Beef cattle producers, from the point of price, are in the lowest ranks of agricultural producers. Unfinished cattle and grass fat cattle have sold lower this fall than last, as well as lower than in any year since 1912, with the possible exception of 1921. While all other important agricultural commodities have made material price recoveries from the 1921 slump, the bulk of cattle have made little or none. The price index of beef cattle is still below that of 1913.

Grain finished cattle have been in a better position than have unfinished or grass fat cattle compared to the pre-war period, but compared to last year prices since June have been lower while the costs of production have been materially higher. For the most part cattle feeders whose stock has been marketed since July 1 have made no profit and when it had been necessary to buy considerable amounts of corn at prices prevailing since July to finish cattle considerable losses have resulted.

The promise of a considerable permanent recovery in cattle prices assumed from the sharp advance in the better grades of beef cattle in April of this year was not fulfilled. The optimism caused by this advance was short-lived. The average price of the two better grades of beef cattle after reaching a point the middle of April, 1924, nearly \$2.00 a hundred higher than at the same period the year before declined gradually until in early October they were almost \$2.00 below those at the same time in 1923. Common beef cattle, which did not follow the early advance, have, however, followed the subsequent decline and in October were over \$1.00 per cwt. below October, 1923.

This decline in the better grades of fed cattle is not ascribable to heavy supplies for their number has been smaller since May this year than last. It has probably been due to the unfavorable industrial and financial conditions existing in the clothing and textile industries with which a large part of the Jewish population is connected, causing a poor kosher beef market; also to an unfavorable travel and summer resort season which limited demand from the channels that supply this trade. To these special causes may be added the general slowing down of industry with resulting decline in prices of most commodities.

This unprofitable outcome of the summer feeding operations of this year, together with the prospective small corn crop and high corn prices, has discouraged cattle feeders and they have been indifferent buyers of unfinished cattle all fall. Hence while the market receipts of cattle from July to October inclusive, this year have been smaller than last year the decrease in the feeder shipments has resulted in a slaughter larger than last year.

The results of this unfortunate combination of conditions have been ruinously low prices for cattle from the growing areas both in the western range regions and in the farming sections. Instead of a material improvement in prices that has been eagerly looked forward to each year for three years past

disappointment has come again. Even the more optimistic of growers who have had faith in the future of the business are beginning to doubt and more and more the weak-hearted are ready to quit. Everywhere is raised the question: What is the matter with the cattle business, and when will it improve?

The answer to the first question is simply that the production of cattle in this country or at least the marketings of cattle for three years past has been larger than can be sold at a profitable price. With no possible export outlet to take the surplus because of the large shipments and low prices for Argentine and Australian beef in Europe, the domestic supply has been forced into domestic channels and this supply has been too large, especially coming at the time of the largest production of hogs ever known.

The answer to the second is not so simple. Any one of several conditions may bring improvement in cattle prices. The production, and consequent marketings of cattle may be reduced; the demand for beef may increase, due either to a lessened supply and higher prices for competitive meats, especially pork, or to improved industrial conditions and increased consumptive power.

The trend of cattle production at present is very uncertain. Marketings after declining materially in 1921, increased the next year to above the 1917 level and much above the pre-war and have since remained at about this point. The question is whether these heavy marketings since 1921 have represented liquidation, - slaughter each year being greater than the natural increase - or whether the slaughter has been about equivalent to the annual supply produced. In other words, is present annual slaughter about what should be expected from our basic stock or is it depleting stock? There has been much talk of liquidation and undoubtedly there has been a marked decline in beef cattle in some areas since 1920 - but at the same time there have been increases in others. Often this has been the situation within a single State. For instance the general opinion has been that liquidation in Montana has been heavy and 1923 marketings were large. But in spite of these marketings, the number of cattle assessed in the State early in 1924 was as large as in 1923, although certain important counties showed decreases. In the Sand Hill section of Nebraska the number of cattle assessed in 1924 was the largest since 1920.

There has been a decided increase in dairying since 1921 and while the cattle marketed per hundred head each year is much smaller with dairy cattle than with beef cattle, the contribution of the dairy industry to the beef supply is increasing and will continue to increase, while the increasing number of veal calves adds to the total meat supply.

The preponderance of evidence at present available seems to be that the possibilities of increased prices for unfinished and grass fat cattle due to decreased supplies of such cattle are not great. On the other hand, it now appears that there will be a very considerable decrease in the number of cattle fed for market this coming winter and this may result in higher prices for cattle during the first half of 1925.

From the standpoint of lessened supplies of other meats, especially of pork, the situation is much more promising. The spring pig crop of 1924 in the surplus States, now starting to market, is smaller than last year's and the corn situation forecasts lighter market weights. Evidence is that the fall pig crop of 1924 is much smaller than that of 1923 and conditions indi-

cate that the number of sows bred for next spring will again show a marked reduction. The market supply of hogs during the summer and fall of 1925 probably will be the smallest since 1920. If industrial conditions are normal, pork products next fall should be fairly high, and this should stimulate the demand for the lower grades of beef and help the price of grass fat beeves, both steers and cows. Good prices for fed cattle next summer, due to decreased feeding, should stimulate the demand for unfinished cattle, especially if corn prospects are favorable.

These favorable auguries are based on the meat supply situation alone and do not take into consideration consumptive demand. This demand may or may not be such as to take the decreased supply of meats at higher prices and thus bring higher prices for meat animals, and especially cattle. Lack of demand in certain channels of consumption the past few months disappointed the expectations of cattle feeders; next year general lack of demand may do the same for the great body of cattle producers who furnish the supply of grass and unfinished cattle.

THE VEGETABLE AND APPLE SITUATION

Paul Froehlich
Fruit & Vegetable Division, B. A. E.

A survey of leading vegetables shows a large crop of potatoes, more cabbage than last season, just about as many onions as a year ago, but a light crop of sweet potatoes. Commercial apple production will be less than in most seasons. This is true also of California citrus fruits, but Florida expects a heavy output of citrus.

POTATOES - For every three cars of all other fruits and vegetables shipped during the year, one car of potatoes goes to market. Had the 242,000 cars which were forwarded last year comprised a solid train, the caboose would scarcely have passed Denver, Colorado, when the engine reached New York City. As soon as the official report for September showed a total United States potato crop slightly larger than that of 1923, growers of late potatoes began to get anxious.

The October estimate was increased about 10,750,000 bushels over the September figure, nearly half of the gain being in Maine and Pennsylvania. Michigan and Minnesota together showed an additional million bushels. About one-fifth of the increase was reported in Virginia, but most shipments from that State are completed. Important decreases since September were in the Dakotas, Nebraska, and Washington. The aggregate crop is forecast at 423,508,000 bushels, which is almost 3.8 bushels per capita, according to July 1 estimates of population. Only in 1917, when war conditions stimulated production, and in 1922 have the potato crops been larger. Last year the total outturn was figured at 412,392,000 bushels. The encouraging feature lies in the fact that an increase of only 1 million bushels over last year is seen in the 19 important surplus-producing States.

Latest reports indicate a crop of good quality in most sections, and this naturally increases the proportion suitable for table use. Careful grading of potatoes and judicious distribution of shipments will be quite necessary. Shippers will have to choose markets with considerable care.

In past seasons the rule has been found fairly consistent that holding of potatoes by growers usually is profitable when the per-capita production is less than 3.6 bushels. It is too early to determine the final per capita for this season, but all indications point to a figure somewhat above the 3.6 level. Potato farmers, therefore, will do well to watch closely the estimate for November.

Harvesting of the crop has been generally delayed. Many of the potatoes already dug are being held for higher prices. Despite the fact that combined shipments from the leading late potato States are running some 18,000 cars less than to the same time last year, city markets and f.o.b. prices have been weak. The following table compares price ranges for the principal varieties in each section:

Price per 100 lbs. for Sacked Potatoes, f.o.b. Shipping Points
(Most Quotations are on Round Whites)

Oct. 15	Presque Isle, Maine*	Rochester, N. Y.	South Michigan	Waupaca, Wis.	Minneapolis, Minn.	Western Colorado	Idaho Falls, Idaho
1923: \$1.10-1.15	\$1.55	85¢-93¢	90¢-95¢	85¢-90¢	80¢-90¢	55¢-60¢	
1924: 50¢-55¢	95¢1.00	72¢-75¢	65¢	60¢-70¢	60¢-65¢	55¢	

* Bulk instead of sacked.

Only in 1921 has recent potato production in Maine been heavier than this season and prices are correspondingly low. Medium ranges prevailed in the north central region and highest returns at New York and Pennsylvania shipping points. Relative proximity to market is, of course, a factor in this situation.

Chicago carlot sales of northern round whites dropped in mid-October to a level of 70¢-90¢, sacked per 100 lbs. Eastern stock was bringing \$1.35-\$1.50 in seaboard markets, with Maine Green Mountains around \$1.15-\$1.25.

CABBAGE - Danish-type cabbage, which is the kind largely stored for winter use, promises a 40 per cent increase over last season in western and central New York and an 85 per cent gain in Pennsylvania, but the sharp decreases in Wisconsin, Minnesota and Colorado practically offset the larger yields elsewhere, leaving the total Danish crop only 4,000 tons heavier than in 1923. Production of domestic-type, much of which is used for kraut, was increased at least 25 per cent.

The rather sluggish season and exceptionally heavy crop in New York State have depressed the f.o.b. market in that section particularly. Domestic has been bringing scarcely more than half last October's price and Danish-type was ranging \$10-\$12 per ton at New York shipping points, compared with \$13-\$14 in Wisconsin. As against \$25-\$30 a year ago, city wholesale prices were \$12-\$15 per ton on domestic cabbage. Seasonal movement of late cabbage totals less than last season's to date, but the crop was being shipped at the rate of 200 cars daily.

ONIONS - The disastrous ending of late onions in the spring of 1924 does not seem to have hindered growers from planting about as usual this year. Aggregate acreage in 14 late States is estimated nearly as high as in 1923 and only a little below 1922. The big cut is in California, but fewer onions also are expected in New York and Massachusetts. All other important States show increases. Forecast of production places New York first, as in 1923, followed by Ohio, Indiana, California, Massachusetts and Colorado. Last year, Indiana ranked second and California third. Ohio probably will come back to normal, with 50 per cent more onions than last season, and Colorado growers expected a 60 per cent gain. Total commercial production in the late onion States was forecast at 12,602,000 bushels or 25,200 carloads. Last season these States shipped about 21,600 cars from a commercial crop equivalent to 25,600 carloads.

F.o.b. sales of yellow varieties, in 100-pound sacks, were quoted lately at \$1.65-\$1.75 in western Massachusetts, \$1.40-\$1.70 around Rochester, New York, and \$1.40-\$1.50 at west Michigan points. In Indiana, where onions did not turn out so well as first expected, the f.o.b. price was \$1.15-\$1.35. Jobbing prices also had declined until a range of \$1.25-\$2 would cover most of the city sales. Values everywhere were considerably below those of October, 1923.

The import situation begins to assume interest. New York City has been reporting fairly heavy arrivals from Spain, and crates of Valencia onions were ruling firm at \$1.85-\$2. Compared with 3,500,000 bushels last year, the Valencia district of Spain now expects a 1924 crop of 5,700,000 bushels, of which at least 700,000 bushels or 1,400 carloads may be shipped to the United States. In the year ending June, 1922, more than 3,000 carloads arrived from Spain and the next 2 years about 2,000 carloads each. Reports from Egypt indicate an onion crop of 9,600,000 bushels, or slightly less than last season.

SWEET POTATOES - The sweet potato crop of 74,000,000 bushels is the lightest in 8 years. In 1922 the production was 109,400,000 bushels and last year about 97,000,000. Dry weather in the South caused serious reductions. The situation was more favorable in the eastern group of New Jersey, Delaware, Maryland and Virginia, and from this region comes by far the largest percentage of shipments. Movement was picking up a little, but aggregate shipments are much less than at the same time in 1923. From the high opening prices, Eastern Shore of Virginia yellow varieties had dropped to the low level of \$3-\$4 per cloth-top barrel in the East. Tennessee Nancy Halls declined to a range of \$1.65-\$1.75 per bushel hamper in the Middle West, so that general price levels were coming down to within sight of last October's quotations.

APPLES - Although city wholesale prices have weakened slightly, apples as a rule were doing better than at the same time a year ago. Compared with last season's early movement, carlot shipments to date from western States have been 25 per cent less and from eastern States 35 per cent below the 1923 output. Weekly movement from the East and Middle West was running little more than half of last year's volume and from the Far West only two-thirds. More recently, however, shipments have become very active.

Latest reports reduced further the estimates of commercial production in all important States, both East and West. The crop in the Pacific Northwest is now forecast at 40 per cent less than that of 1923. Michigan's production also is relatively light. Total United States commercial crop of 27,000,000 barrels represents a decrease of 7,300,000 barrels from last year.

The lighter production in England and Canada is affording an excellent opportunity for exports of apples. Movement to foreign countries is exceeding last season's volume and thus far prices are said to have been well maintained. Weekly shipments from United States and Canadian ports have now passed 150,000 barrels and almost as many boxes. Exports of boxed apples particularly are far in excess of the 1923 movement at this time. Good markets are found not only in the United Kingdom, but in Scandinavia, Germany, Belgium and Austria. The Okanagan Valley apple crop in British Columbia is about 2,100,000 boxes, or one-third less than last year. In Nova Scotia indications point to a total of 1,275,000 barrels, - a reduction of 550,000 from the 1923 crop. Ontario expected slightly over a million barrels of apples.



THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

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U. S. DEPARTMENT OF AGRICULTURE

HENRY CANTWELL WALLACE

1866 - 1924

Until his fatal illness this review was the personal statement
of the late Secretary of Agriculture

November 1, 1924.

TAKING STOCK

The crops are made and the season practically ended. Grain is mostly threshed, silos are filled, cotton ginning is well along, hay pressers are busy. The early movement of grain and cotton to market has been heavy. Corn harvest is going forward, many growers struggling with a problem of soft corn. Apple picking and potato digging are nearly wound up. Potatoes, one of the East's chief money crops, are turning out large yields but meeting a very disappointing market. This comes discouragingly on top of the depression in the eastern dairy industry.

The wheat situation represents an almost spectacular combination of circumstances. We alone have a good wheat crop while the consuming world is short of bread grains. Our producers have reacted to higher prices in a very human way - acreage planted to winter wheat is said to be from 5 to 10 per cent larger than last season. But to regard this year's situation as representing any lasting alignment of supply and demand is to mis-measure the forces on both sides. It is one of those lucky accidents that sometimes happen once. Europe will bend every effort to avoid repeating the heavy purchases of wheat she must make in this country this season.

The forward prospect in hogs appears somewhat more definite. Judging from this season's pig crop, the probable fall pig crop, and from the present attitude of producers as to breeding for next spring, there are apparently fewer hogs in sight for next year than any time since 1920. Moreover, the corn situation spells lighter weight hogs. The trend of hog production in Europe is about the same as here. All of which seems to mean more than an even chance for higher hog prices.

A drop in hog production might play some part in the beef cattle situation. The country is apparently still "long" of cattle. The run of beef stock to market is heavier than last fall and it is going to slaughter rather than to feed lots - real liquidation, in other words. Cattle raisers are now in probably the most distressed position of any major group of producers.

On the whole, however, the season is evidence of pretty good adjustment in agricultural production. Were this a year back in pre-war times it would rank as a fair, average season for agriculture. But it is not. The farmer's immediate background is four years of black depression, and against that background the situation must be sized up. He has put his productive house in order and has achieved the payment of considerable debt. That is about the story of 1924.

KEY REGIONS AT A GLANCE

THE EAST - Finishing up the late harvest: fruit, potatoes, etc. Fruit growers in fair spirits. Potatoes, cabbage and certain minor cash crops yielding heavily but bringing very low prices. Milk producers under added pressure from high grain prices. Underlying sentiment through the East one of discouragement.

THE SOUTH - Cotton picking about finished except in certain northern sections. Late crop, as well as harvesting, helped by splendid weather. Heavy movement of cotton to market. Position of other southern crops fairly good, on the whole. General sentiment is that this season will help to put the South on its feet.

CORN BELT - Favorable weather has helped to mature considerable corn. Harvest well along. Frost damage greatest in northwestern portion of Belt, including Iowa. Growers anxious to sell some corn at current prices; probably fewer cattle will be fed than last year. Region in rather better spirits than last fall though the undercurrent of feeling reflects difficulties still present.

WHEAT BELT - Winter wheat seeded and slightly increased acreage reported over last season. Grain is up and showing good stands through Kansas and most of Nebraska. Very dry from Oklahoma southward. Heavy early market movement of grain has slowed up and tendency now is to hold for most favorable prices. General condition of the territory greatly improved.

RANGE COUNTRY - General movement of livestock down from the high country to winter ranges and to market. Rather heavy market movement of both sheep and cattle. Stock generally going into winter in very good condition. The condition of range varies from good in the north to poor in Arizona and New Mexico; stock being moved out of some areas in south for lack of feed. General continued optimism among sheep men and pessimism among cattle men.

PACIFIC COAST - Harvest of rice, sugar beets and fruits in progress. Wheat seeding and germination delayed by dryness in north. Rains begun in northern California, delaying harvest but generally beneficial. South still dry. Citrus fruit developing well.

PRODUCTION INDICATED BY THE OCTOBER 1 ESTIMATES

Millions of bushels:

	Forecast 1924	Harvested 1923	5-Year Average 1918-1922
Winter wheat	589	572	625
Spring wheat	266	213	256
All wheat	856	786	881
Corn	2,459	3,046	2,899
Potatoes	424	412	391
Cotton (bales)	12.675	10.1	10.9
Apples	175	197	167

MOVEMENT TO MARKET

The September movement of grain continued heavily above same month last year, though wheat fell off somewhat from its August peak. The early fall movement of wheat was very heavy.

Hog receipts in September were about like the previous month and slightly less than last year. This is in line with the apparent production situation and with normal movement. Heavier runs to market will presumably be shown for October.

Cattle movement increased somewhat over last year and more of it was to slaughter rather than back to the country as feeders.

Butter receipts continued higher than corresponding month last year. Receipts at primary markets, in terms of thousands:

	Wheat Th.bu.	Corn Th.bu.	Hogs Thousands	Cattle Thousands	Sheep Thousands	Butter Th. Lbs.
1923, Sept.	44,196	18,355	3,607	2,295	2,659	41,907
1924, "	81,183	22,084	3,216	2,566	3,027	47,760

EXPORT MOVEMENT

The outstanding story of September exports is that we are selling a lot more wheat, some more cotton, and considerably less pork abroad than we did last year.

Exports in terms of millions (cotton in thousands).

	Wheat, bu. inc. flour	Tobacco lbs.	Bacon, hams & Shoulders, lbs.	Lard lbs.	Total Meats, lbs.	Cotton run. bales
1923, Sept.	22,465	37,646	76,911	83,630	88,833	689
1924, "	39,244	37,245	43,117	65,810	50,088	737
1923, 9 mos.	128,129	330,900	608,339	786,175	700,334	2,892
1924, " "	125,368	402,603	523,398	757,359	591,738	3,466

COLD STORAGE SITUATION

There was considerable movement of dressed poultry into storage in September, as is usual; likewise about the normal outward movement of meat and lard. Butter stocks did not decline much.

Compared with the average situation this date, stocks continue very low in case of beef and lamb; about average in case of eggs, pork, and lard; high in case of butter, cheese and dressed poultry. The stored supply of butter remains about 50 per cent larger than last year or average.

October 1 holdings in terms of millions:

	<u>5 Year Average</u>	<u>September 1, 1924</u>	<u>October 1, 1924</u>
Creamery butter, lbs.	104	156	153
Case eggs, cases	7	9	7
Total beef, lbs.	89	49	48
Total pork, lbs.	575	711	565
Total meats, lbs.	738	826	673

PRICES AND PURCHASING POWER

September brought drops in price of most of the principal farm products excepting corn and eggs. Prices of non-agricultural commodities did not lower much. Consequently the indicated exchange value of cotton and potatoes in particular declined materially from the previous month. The exchange value of wool and eggs improved but they are not products which producers have in hand at this season in much quantity. It is noteworthy that the farmer is at greatest disadvantage in purchasing power for building materials and house-furnishings - two lines which have held up most strongly in urban business boom.

The general index of purchasing power of farm products declined from 90 in August to 87 (considering the year 1913 as 100.) This is a not unnatural fall movement as agricultural products come on the market in quantity, but it is by no means encouraging to farmers, nevertheless.

BUSINESS SITUATION

Business is moving sidewise. Basic conditions are good but lack any element of stimulation other than cold weather, which is yet to come. Industries such as steel and certain structural lines show sufficient improvement, however, to indicate that things are moving forward. Interest rates are still very low but importations of gold have come to a pause and the likelihood of inflation therefrom is lessened. General employment and wage conditions are good.

There has been some expression of disappointment in business circles over the failure of "restored" farmer purchasing power to make itself felt in greater degree. As a matter of fact it has made itself felt decidedly in the South and Central West. But the tendency is to expect too much buying from the farmer this fall. He is busy trying to pay off some debts.